

MONTANA

# ON THE BRINK: 2009

## THE HOME ENERGY AFFORDABILITY GAP APRIL 2010

### Finding #1

Poverty Level	Home Energy Burden
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Below 50%	44.9%
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50 – 74%	18.0%
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75 – 99%	12.9%
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100 – 124%	10.0%
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125 – 149%	8.2%
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150% - 185%	6.7%
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Home energy is a crippling financial burden for low-income Montana households. Montana households with incomes of below 50% of the Federal Poverty Level pay 44.9% of their annual income simply for their home energy bills.

Home energy unaffordability, however, is not simply the province of the very poor. Bills for households between 75% and 100% of Poverty take up 12.9% of income. Even households with incomes between 150% and 185% of the Federal Poverty Level have energy bills above the percentage of income generally considered to be affordable.

### Finding #2

Poverty Level	No. of Households
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Below 50%	20,688
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50 – 74%	14,030
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75 – 99%	17,211
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100 – 124%	18,957
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125 – 149%	20,606
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150% - 185%	29,303
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The number of households facing these energy burdens is staggering. According to the 2000 Census, nearly 21,000 Montana households live with income at or below 50% of the Federal Poverty Level and thus face a home energy burden of 44.9%.

More than 14,000 Montana households live with incomes between 50% and 74% of Poverty (home energy burden of 18.0%). And more than 17,000 *more* Montana households live with incomes between 75% and 99% of the Federal Poverty Level (home energy burden of 12.9%).

### Finding #3

	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$51,495,975	\$12,291,175	Existing sources of energy assistance do not adequately address the energy affordability gap in Montana. Actual low-income energy bills exceeded affordable energy bills in Montana by \$96 million at 2008/2009 winter heating fuel prices. In contrast, Montana received a gross allotment of federal energy assistance funds of \$26.1 million for Fiscal Year 2009.
2009 (current year)	\$96,402,072	\$26,074,726	
Change	\$44,906,097	\$13,783,551	

Montana's LIHEAP allocation has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2009, the total Home Energy Affordability Gap increased by \$44.9 million. In comparison, the federal LIHEAP allocation to Montana increased \$13.8 million.

### Finding #4

Home Energy Affordability Gap: 2002 (base year)	\$51,495,975	The Home Energy Affordability Gap Index in Montana was 187.2 for 2009. This Index indicates that the Home Energy Affordability Gap has increased 87.2% between 2002 and the current year.
Home Energy Affordability Gap: 2009 (current year)	\$96,402,072	
Home Energy Affordability Gap Index (2002 = 100)	187.2	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for Montana has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

### Finding #5

End Use	Average Annual Bill	
Electric	\$634	The energy affordability gap in Montana is not created exclusively, or even primarily, by home heating and cooling bills.
Hot water	\$184	
Space heating	\$973	At 2008/2009 prices, while home heating bills were \$973 of a \$1,830 bill, electric bills (other than cooling) were \$634. Annual cooling bills represented \$39 in expenditures, while domestic hot water represented \$184 in expenditures.
Space Cooling	\$39	
Total annual bill	\$1,830	

### Finding #6

Fuel	2007 Price	2008 Price	2009 Price	
Natural gas heating (ccf)	\$0.946	\$1.044	\$1.029	In Montana, natural gas prices stayed relatively constant (1.4%) during the 2008/2009 winter heating season. Fuel oil prices fell substantially (41.2%) while propane prices fell 12.8%.
Electric heating (kWh)	\$0.082	\$0.085	\$0.085	
Propane heating (gallon)	\$1.800	\$2.335	\$2.037	Heating season electric prices stayed relatively constant (0.4%) in the same period while cooling season electric prices fell (6.9%).
Fuel Oil heating (gallon)	\$2.225	\$3.038	\$1.785	
Electric cooling (kWh)	\$0.091	\$0.099	\$0.092	

## Montana Energy Gap Rankings (scale of 1-51)

A higher ranking (1 is the highest) indicates better conditions while a lower ranking (51 is the lowest) indicates worse conditions relative to other states.

<p><b>AVERAGE DOLLAR AMOUNT BY WHICH ACTUAL HOME ENERGY BILLS EXCEEDED AFFORDABLE HOME ENERGY BILLS FOR HOUSEHOLDS BELOW 185% OF POVERTY LEVEL.</b></p> <p><b>\$798 per household</b></p> <p><b>RANK: #9</b></p>	<p><b>AVERAGE TOTAL HOME ENERGY BURDEN FOR HOUSEHOLDS BELOW 50% OF POVERTY LEVEL.</b></p> <p><b>44.9% of household income</b></p> <p><b>RANK: #9</b></p>
<p><b>PERCENT OF INDIVIDUALS BELOW 100% OF POVERTY LEVEL.</b></p> <p><b>14.6% of all individuals</b></p> <p><b>RANK: #41</b></p>	<p><b>PORTION OF HEATING/COOLING AFFORDABILITY GAP COVERED BY FEDERAL HOME ENERGY ASSISTANCE.</b></p> <p><b>32.3% of gap is covered</b></p> <p><b>RANK: #26</b></p>